REMARKS

Claims 1-61 are pending in this application of which claims 1-30 have been examined. Claims 31-61 have been withdrawn from examination. Claims 1-30 are presumed to be in allowable condition for the following reasons.

Claims 1, 2, 18 and 28 have been amended to correct minor informalities and to remove certain language to cast the claims in a broader form. These amendments were not made for the purposes of patentability to overcome a rejection, and shall not limit the scope of the invention.

Election/Restriction

On page 1 of the Detailed Action section of the Office Action, the Examiner contends that affirmation of Applicant's election made in the response on October 14, 2004, must be made in this reply. Considering the election was already made of record, it is not clear why affirmation needs to be made. Applicant hereby affirms its election of Group I (claims 1-30) for prosecution in this case.

Allowable Subject Matter

Applicant acknowledges with appreciation the Examiner's indication that claims 2-17 and 19-30 contain allowable subject matter. The objection to the dependency of these claims is deemed improper at least based on the reasons presented below.

Claim Rejections – 35 U.S.C. §103

The Examiner has rejected claims 1 and 18 under 35 U.S.C. §103(a) as being unpatenable over Rhoads (U.S. Patent No. 6,363,159) in view of Levine (U.S. Patent No. 6,320,965). The rejection is respectfully traversed.

Applicant filed a provisional application having application number 60/098,687 on August 31, 1998, and filed a PCT application, claiming priority therefrom, having application number PCT/US99/19723 on August 31, 1999. Applicant entered the national stage in the U.S.

from the PCT application on July 3, 2001. Domestic priority has been properly claimed. Therefore, Applicant is entitled to the effective filing date of August 31, 1998. (See 35 U.S.C. §119(e)(1) and MPEP §§ 706.02, 1893.03(b)). Since the present application's effective filing date of August 31, 1998 predates Levine's effective filing date, Levine is not prior art and shall be removed.

Notwithstanding the deficiency noted above, the Examiner has failed to establish a *prima facie* case of obviousness. The combination of references fails to teach each and every element of claims 1 and 18, and the Examiner has failed to establish proper motivation to combine.

Rhoads describes a technique for embedding auxiliary data in a video signal and subsequently attempting to extract that data to authenticate the video signal. Fig. 2, to which the Examiner cites, depicts a flow chart of the process of embedding the auxiliary data onto another signal. Fig. 3, to which the Examiner cites, depicts a flow chart for attempting to extract that data for identifying a suspected copy of the video signal. Essentially, Rhoads utilizes an original digital signal to create a copy for distribution, i.e., a distributable signal. The original is kept in a safe place. The distributable signal consists of a copy of the original signal and a composite embedded code signal. Columns 7-8 of Rhoads describes the technique for embedding the code signal consisting of a 32 bit word to create the distributable copy. To determine if a fraudulent copy has been made, Rhoads must procure the original signal along with the 32 bit identification word embedded in the distributable copy, and compare the original signal with the suspected copy. Various techniques, described at column 9 of Rhoads, are used to determine if the suspected copy is a fraud.

Importantly, Rhoades must implement a complex process to embed an identification code into a copy of an original signal, and to analyze a suspected copy to determine if it is a fraud. In

no way does the technique taught by Rhoades affect the copy quality of the suspected signal or warps any type of video image. More particularly, Rhoades fails to disclose or suggest "...altering the audio or video information by applying to the audio or video data stream a predetermined mapping function associated with the playback unit to distort the audio or video content; such that audio or video information produced by combining multiple audio or video data streams corresponding to said information, from different playback units, will be perceptibly distorted," as claim 1 recites. (Emphasis Added). Furthermore, Rhoads fails to disclose or suggest "means for imparting a prescribed transformation to the video image for warping the video image in a manner, and by an amount, not readily visible to a viewer such that a composite video image produced by multiple said video playback units will be visibly distorted," as claim 18 recites. (Emphasis Added).

Levine discloses a mechanism for embedding data into a digital signal such that the data is not perceptible to a human viewer. Techniques are disclosed throughout Levine, but are not important for this discussion. At the minimum, Levine fails to disclose or suggest the elements of claims 1 and 18, recited above.

The Examiner points to Fig. 22, illustrating a general computer system within which it is alleged that the "watermarker, data robustness enhancer, watermark decoder, and watermark alignment module execute." (See Brief Description of the Drawings at col. 4, lines 47-49). No further information is provided. However, the Examiner concludes that Levine discloses "utilizing a playback unit for playing out information contained in the audio or video data stream," as claim 1 recites and "an input for receiving an encoded data stream bearing a video image; a decoder for decoding the encoded video stream," as claim 18 recites. Applicant

submits that Levine's limited description does not teach the elements alleged by the Examiner, nor would the description enable one of ordinary skill to practice these elements.

For each claim, the Examiner alleges that it would have been obvious to combine Rhoads with Levine "in order to enforce digital rights management system." Applicant urges that the Examiner has not provided a legally cognizable or logical motivation for the combination. Especially, "[t]o establish a *prima facie* case of obviousness, the [Examiner] must, *inter alia*, show 'some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teaches of the references.' *In re Fine,* 837 F.2d 1071, 1074, 5 USPQ2d1596, 1598 (Fed. Cir. 1988). 'The motivation, suggestion or teaching may come explicitly from statements in the prior art, the knowledge of one or ordinary skill in the art, or, on some cases the nature of the problem to be solved.' *Kotzab*, 217 F.3d at 1370, 55 USPQ2d at 1317."" *In re Thrift*, 298 F.3d 1357 (Fed. Cir. 2002). The suggested motivation, "to enforce digital rights management system," would not lead one of ordinary skill in the art to make the combination urged.

Moreover, the Examiner's assertion of motivation corresponds to a very generalized statement; its source is unknown. *See In re Lee,* 277 F.3d 1338 (Fed Cir. 2002) ("When patentability turns on the question of obviousness, the search for and analysis of the prior art includes evidence relevant to the finding of whether there is a teaching, motivation or suggestion to select and combine the references relied on as evidence of obviousness." (emphasis supplied)). That is, the Examiner has simply restated the claim limitations not found in the prior art, and applied conclusory motivation with the factually unsupported and improperly conclusory preamble "[i]t would have been obvious ..." This is precisely the reversible error discussed in *Lee*.

For the above reasons, withdrawal of the rejection of claims 1 and 18 is respectfully solicited.

To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 500417 and please credit any excess fees to such deposit account.

Respectfully submitted,

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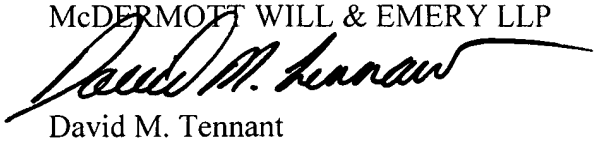

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